

Strategic Finance and the Evolution of FP&A

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The Association of
Accountants and
Financial Professionals
in Business

Featured Presenter

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SVP

Corporate Financial Planning & Analysis

Discover Financial Services



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Agenda

1. Introduction
2. Strategic versus Traditional FP&A
3. Planning Cycle at Discover Financial Services
4. Strategic Plan (Long-Term Plan)
5. Leveraging Technology
6. Key Take-Aways
7. Q&A

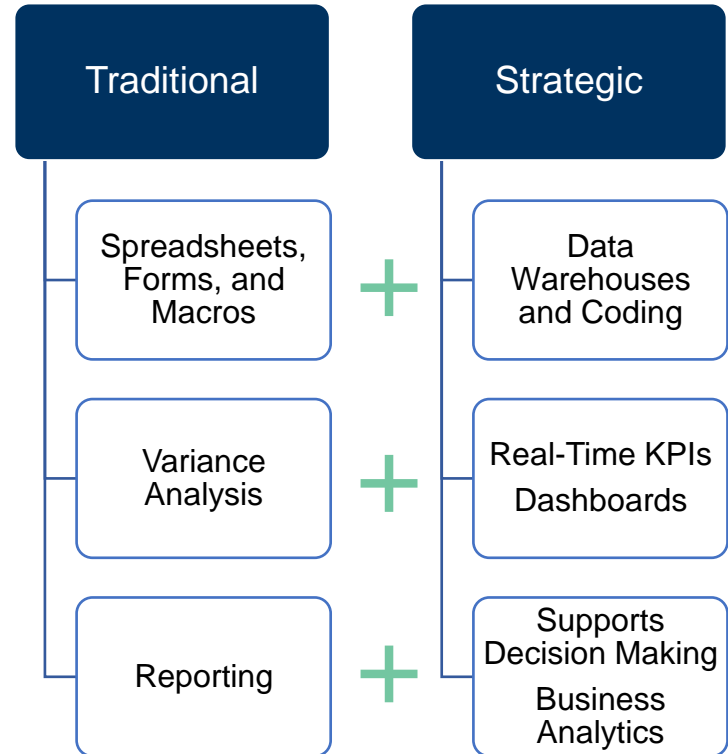
Strategic versus Traditional FP&A

Engaged partners utilizing advanced techniques

A strategic finance partner has a seat at the table; that seat must be earned

A strategic finance partner:

- Understands the business
- Shares perspectives and insights
- Facilitates cross-functional collaboration
- Engages in decision making
- Ensures effective resourcing



Poll Question 1:

How would you describe Finance / FP&A in your organization?

- a. Strategic
- b. Traditional
- c. In-between
- d. In don't know

Poll Question 1 Results: (Placeholder)

Discover Financial Services Planning Process

Poll Question 2:

How influential do you feel your Finance / FP&A team is in setting long-term organizational strategy?

- a. Very influential
- b. Somewhat influential
- c. Not very influential
- d. I don't know

Poll Question 2 Results: (Placeholder)

Long-Term Strategic Planning

Effective Plans optimize stakeholder objectives

Shareholders

- Drive long-term value
- Increase share price & dividends
- Minimize earnings volatility

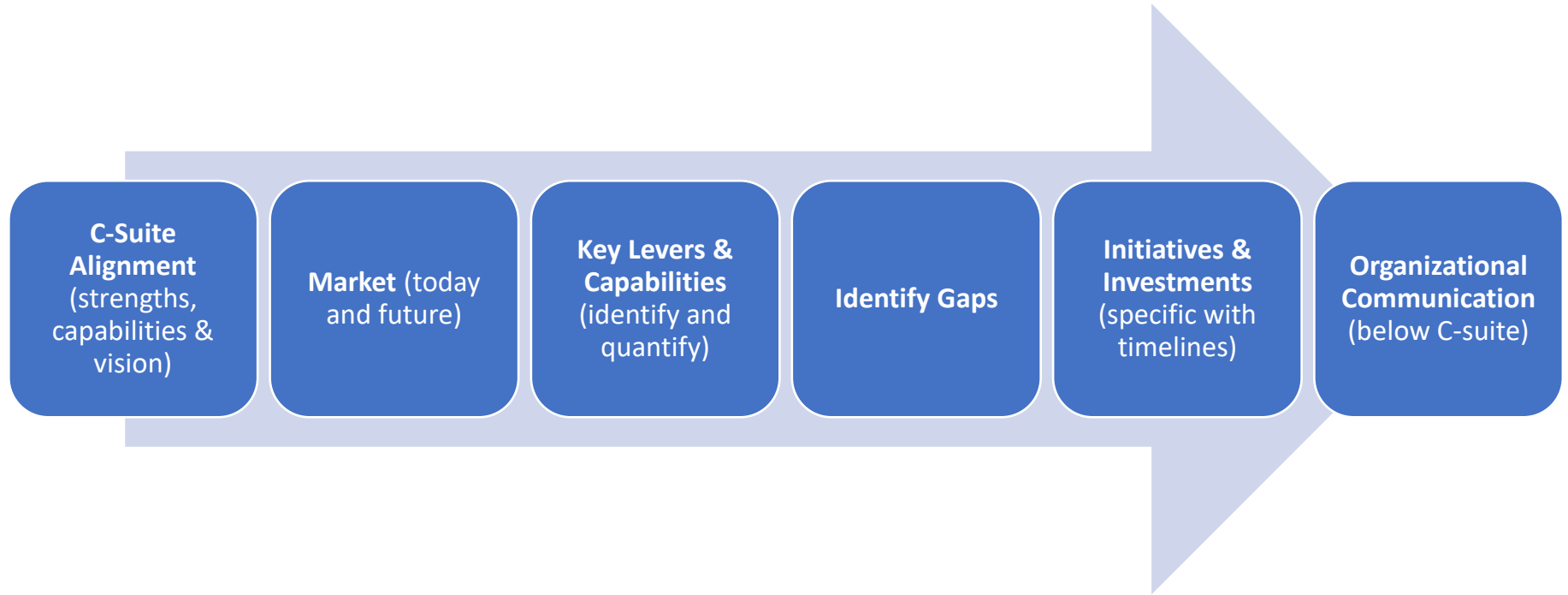
Employees

- Create job growth and opportunities
- Offer competitive pay
- Provide stability

Customers

- Exceed customer expectations
- Provide great products
- Enhance brand affinity

Analytical process driving strategic direction



Business led Finance facilitated

Facilitation

- Business led
- Streamlined, efficient process
- Ensure cross-functional collaboration

Analytical Support

- Develop / quantify roadmap
- Effective challenge and sensitivities
- Ensure components fit together (cohesiveness)

Decision Making

- Seat at the table
- Active participant
- Investment decisioning support and governance

Links financial aspirations to measurable actions

Grow
Revenue

Driver

Grow # of Sales

Higher Price

Levers / Capabilities

- Increase customer retention
- Increase # transactions per customer

- Deliver updated product
- Increase cross-sell

Initiatives

- Enhance loyalty program
- Targeted marketing campaigns

- Product development
- Expand affiliate relationships

Poll Question 3:

What is the forecast horizon of your organizations Long-Term Strategic Plan?

- a. 1 year
- b. 2 years
- c. 3 - 4 years
- d. 5+ years
- e. I don't know

Poll Question 3 Results: (Placeholder)

Leveraging Technology

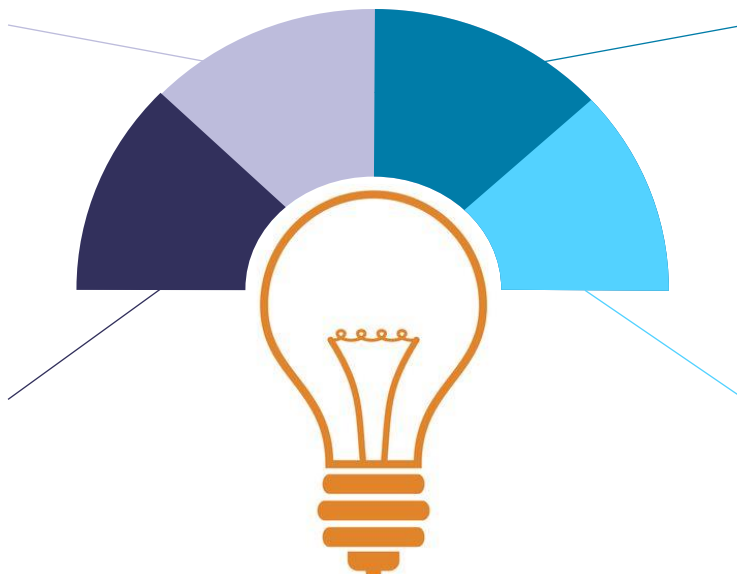
Technology is improving capabilities...

**Connected
Finance**

**Drive
Automation**

**Simplify and
Standardize**

**Enhanced
Reporting**



Improved Productivity



Predictive Finance

The VALUE

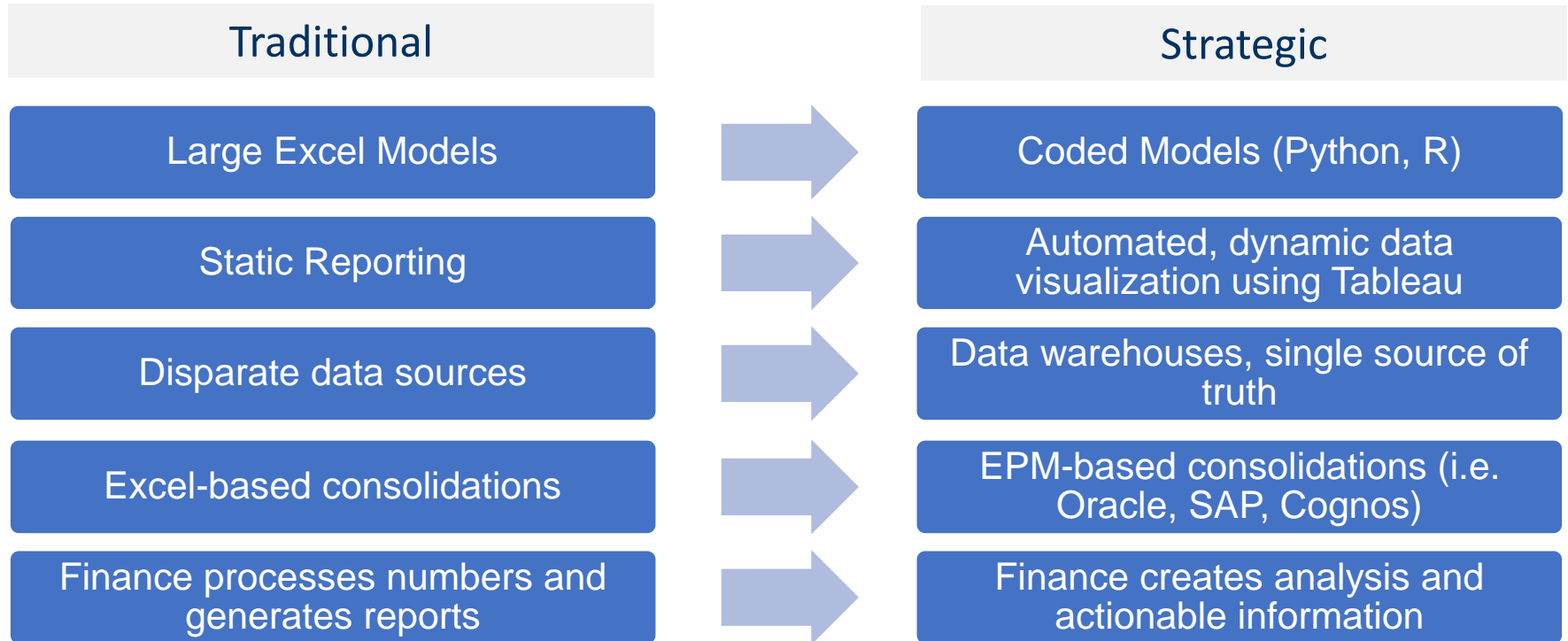


Connected Planning



Enhanced Experience

...and changing the way we work



Poll Question 4:

Have you observed the deployment of new technology in Finance / FP&A?

- a. Yes
- b. No
- c. I don't know

Poll Question 4 Results: (Placeholder)

Key Take-Aways

Key Take-Aways

- A strategic finance partner understands the business and is actively engaged in decision making
- Finance plays a critical role facilitating a Business led Long-Range Strategic Planning process linking aspiration to action
- Technology is enhancing FP&A capabilities and changing the way we work

Questions and Answers



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William Duchan, CMA, CFM
Director, Credentials & New
Initiatives
IMA

Thank you!



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